



2023



# **THE EMPIRE ECONOMIC CONFERENCE.**

**(Meeting in Delhi on 25th October, 1940.)**

**NO REPRESENTATION  
FOR  
NON-OFFICIAL INDIAN ECONOMIC  
INTERESTS.**

**RECORD OF MR. V. SUNDARAMURTHY'S  
Correspondence with Government, Etc.**



## INTRODUCTION

After careful and anxious thought, I have felt it necessary to place before the public the record of my efforts to prevail upon the Government of India to accord non-official representation to the Indian industrial and commercial community at the Eastern Group Empire Economic Conference, which is meeting in Delhi on the 25th October 1940. I have striven to utilise the opportunity afforded by the presence of responsible men from the Empire countries, east of Suez, to explore the possibilities of creating new economic contacts and of discovering new markets for those Indian goods which have European doors banged on them and those whose production has increased due to the war stimulus and have an exportable surplus. The Government of India have shown the customary cold-shoulder.

This record that I am placing in the hands of the public tells a plain, for us a bitter, tale. No commentary is called for. One would expect that the powers-that-be would have seen the wisdom of associating the people in the country's war effort, specially when one is being told that the war is India's war as well. You can commandeer supplies not organise or produce them, if you leave the producer out of the picture. I was told it was just a conference of governments. But Malaya, East Africa and Rhodesia have sent non-governmental men, too. The Government of India have named Seventeen gentlemen as advisers to the Indian delegation, some of them Government officials !

V. SUNDARAMURTHY.

Bangalore,  
18th October 1940.



1. (First article that appeared in the local and the South Indian Press, dated 17th August 1940.)

## EMPIRE ECONOMIC CONFERENCE.

(V. Sundaramurthy.)

It is an act of first-class statesmanship and profound wisdom on the part of H. E. the Viceroy to have suggested the holding of an Economic Conference in India of the British Dominions and Colonies east of Suez in October. That it is a remarkably sound move of His Excellency and the Government of India is amply evidenced by the press reactions in some of the countries which are within the ambit of the area covered by the projected conference. *The Natal Mercury* according to the *Hindu* correspondent, commends the idea whole-heartedly and says:

"The problem of overproduction must be carefully balanced as between these countries, the needs of each being studied in the light of what the others can and will spare. If this work is tackled with thoroughness and in the spirit of co-operation there is no reason why we should not succeed in building up within the Empire a powerful block of nations capable of exerting a steady influence upon the world at large in post-war years."

As for the others, Australia has taken up the idea with alacrity, and Ceylon has named her delegates. Which is, I must say, all to the good.

The major national units that will be represented at the Conference are India, Australia, South Africa, East Africa, New Zealand, Malaya and Ceylon. The great thing about such a conference is the creation of the tradition of common enrichment and economic co-operation by means of an inter-state plan. Economic co-operation is, even if it is mooted for war purposes, the precursor of political amity and fruitful cultural exchange. Knotty problems like immigration and the position of Indians overseas can be handled with sympathetic understanding. Furthermore, in any attempt at reshaping the world after the war the countries east of Suez can stand four-square as one block, India enjoying the distinction of being the centre-piece in her right, as housing the second biggest assemblage of human beings and her continental economic resources.

The conference tradition is rich and pregnant with potentialities for the future. But immediate success depends upon the nature of the approach. The Associated Press message from Simla dated 7th August has a disconcerting sentence:

"The Government of India, it is understood, will be represented by officers of the Commerce and Supply Departments."

Why on earth? Why not non-official industrialists and businessmen who have the privilege of being experts in such matters? In its genesis, the Conference is designed to discover ways and means for a joint policy and joint action for conserving material supplies for the prosecution of the

war. The Associated Press message, a reference to which has been made, which must have received an official imprimatur, says further:—

“A large degree of co-operation in the mutual supply of war requirements already exists between Empire countries in the East and the immediate efforts of the Conference are expected to be devoted to further strengthening these links.”

The point I want to bring home to the Government of India is this: The various Imperial Conferences that have hitherto sat and functioned have failed in their purpose because of definite lack of Indian public support and enthusiasm. Unfortunately, if such conferences are placed on an official basis, and the nominees of the Government represent this country to the exclusion of representatives of public interests, the people of the country are inclined, and rightly to look askance at them. Since the day India became a belligerent country, no effort has been made by Delhi to win active non-official sympathy and co-operation. The War Supply Board is a case in point, and there are others.

India is outspokenly anti-Hitler and anti-Fascist. She is a big and worthy ally of Britain, with ample resources. Why not make a sustained effort to win the whole-hearted and spontaneous support of her people? When the political impasse ends, there will be a clearer and more hopeful atmosphere. There is an encouraging streak in the political sky, a hopeful augury. But the ground has to be prepared consciously by getting the public to associate with the Government in every measure taken, in every new plan undertaken for the successful termination of the War. What Delhi needs is a little more imagination.

The Economic Conference suggested by H. E. the Viceroy is frankly and openly one which will be asked to find a way to pool the resources of the Empire countries east of Suez to assist Britain to destroy the German menace. It is India's war as well as Britain's; it is, in fact, the war of every individual in the world who believes in freedom and justice. If the problem of supplies for the war is approached from the correct angle, it will be seen that it is the leaders of industry, the businessmen and such other non-official men, who will have to bear the brunt of the work of organisation and conservation. Nothing much can be done by appeals or by the officers of the Government of India moving about the length and breadth of the country. I submit it is the wrong and inefficient way of doing things. It does not carry with it the sanction that only voluntary and willing co-operation can give.

There is still another way of looking at this question. Though the Conference is primarily meant for organising supplies for war needs, it cannot but have a wider scope. One thing leads to another and the problem, which is positively urgent, of improving trade relations among the countries that meet in Conference is sure to come up prominently. The point is all these Empire units have been vitally affected by the war. India has the door banged on her and lost markets which were taking in no less than 30 crores worth of her goods every year. Each Empire unit will have the same story to tell. This Conference must be made an occasion for exploring avenues for increased trade among the half a dozen or more countries whose representatives will meet in New Delhi in October. India happens to hold the unique position of being the only major industrial country in the Eastern Group of Empire countries and she has to find markets for her manufactures, not to speak of her agricultural commodities. These countries

want to trade with India as is evidenced by the stream of enquiries from Australia and some other countries.

So, this Conference, at least as far as India is concerned, must be broad-based. There must be non-official representation. What is more, this affords, for the first time, an opportunity for an organised approach towards the question of war supplies. The non-officials may come into the conference as observers or better still as accredited delegates of economic interests. When once the point is conceded and the need for widening the scope of the Conference realised, the details of the basis of representation could be worked out. Commercial and industrial institutions may be asked to depute representatives. In the case of big key industries even individuals may be invited; the co-operation of the Provincial and State Governments may be enlisted in this respect. It is a matter of detail. The vital fact is it will be an essay in futility, a case of a sterling opportunity thrown away, if India were to be represented by the Commerce and Supply Departments' officials to the complete exclusion of public representatives. These former gentlemen may be good administrators, but do not, by any means, possess the experience or bear the stamp of authenticity to speak for all India.

In this connection, I want to renew my appeal in a vitally related matter. The Conference could be made an occasion, a sort of incentive, for a Congress of Indian Industrialists to meet and discuss measures to plan a scheme of industrialisation for India, with an immediate eye on the manufacture of goods whose imports into India have ceased because of the war and on the establishment of new industries like aeroplane manufacture and so on to assist Britain effectively during the progress of the war, with the possibility of the latter being turned over to a peace basis without considerable loss or friction. We have the lesson of the last war which left us unprepared. Today, the danger to India is more real. It cannot be said that the Government did all that it could have before the war came, to prepare the country; it cannot be said that all that could be done is being done now that the war is on us.

But, to hammer out a worth-while scheme of industrialisation, the Government of India must step in as an active agent and initiator and the industrialists and financiers will fall in line. This means a conscientious heart-searching on the part of the Government of India, a thoroughly liberal tariff policy of which the Commerce Member spoke of the other day and a positive economic participation.

If I am assured of support from the Government of India, I shall be prepared to get round the Indian industrialists and businessmen and get them together—those of them who appreciate my point of view—to meet in Delhi the same time as the Conference. If that comes about, we will have taken a new step on a new road to success and fruitful co-operation.

2. (Editorial comment of THE MAIL, Madras  
dated 19th August, 1940 on my article)

BRING IN THE NON-OFFICIALS.

There is much to be said in favour of Mr. V. Sundaramurthy's suggestion that non-official industrialists and businessmen, experts on the subjects to be discussed, should be asked to participate in the forthcoming

Economic Conference of Empire Countries east of Suez to be held at New Delhi on October 25. At present, it appears, the Conference is to be attended only by officers of the Commerce and Supply Departments of the countries represented. It may be argued that no others are wanted there because the Conference is intended to discuss how best the requirements of these Empire countries may be met, and their resources co-ordinated for common ends. Presumably each official delegate will go to the Conference armed with lists of the needs of his country and with details of its products and of its manufacturing capacity. The total requirements and capacities having thus been ascertained, the Conference will doubtless strive to devise means of so reconciling the one with the other as to ensure that the needs of all be fulfilled, and the resources of all be exploited to the full.

But can this be done without the assistance of industrialists and business-men? It is doubtful. From what has happened in this country, and in Great Britain, it is most unlikely that the official mind can be expected to assess accurately the productive capacity of any unit, let alone of a whole country's resources. Mr. HERBERT MORRISON to-day confesses that he has been agreeably surprised at the development in output which has taken place in Great Britain during the past three months. Yet he is not content. Neither is his colleague, Mr. ERNEST BEVIN, to whose great efforts and persuasive manner Britain largely owes her present state of preparedness. Between them these two Ministers have revolutionised industrial methods in Great Britain. They succeeded because they brought fresh and experienced minds to their tasks. They were experts, such as Mr. SUNDARAMURTHY would see attend the New Delhi Conference. It would not, however, be enough to invite only business-men and industrialists to that Conference. Capable representatives of labour, men with power to influence the workers, should also be invited. For in this exploitation to the utmost of the countries' resources for war purpose, the assistance of all is required. No class can be left out if the best results are to be obtained.

(IT IS NOTEWORTHY THAT "THE MAIL" GOES ONE STEP FURTHER AND ASKS FOR THE INCLUSION OF LEADERS OF LABOUR. THAT WOULD MAKE WAR EFFORT REALLY AND COMPLETELY NATIONAL AND COMPREHENSIVE.  
V. SUNDARAMURTHY.)

3. (Letter addressed to the Private Secretary to H. E. the Viceroy.)

21st August '40.

The Private Secretary to His Excellency the Viceroy, Simla.

Dear Sir.

I am herewith enclosing a copy of an article of mine which has been well received in the South Indian Press. I shall be profoundly grateful to you if you will kindly arrange to bring it to the notice of His Excellency the Viceroy.

I am one of those people who feel strongly about the lack of proper non-official co-operation in India's war effort. Even the conservation of existing supplies for the war—not to speak of starting new industries for strengthening and increasing the necessary supplies—can be tackled with greater success if local economic leaders are associated with the work of

organising supplies. The article I have enclosed is a plea for the inclusion of non-officials in the Empire Economic Conference which is meeting in Delhi at the instance of the Viceroy. It is not a new or original suggestion. It emanates from a man who realises that the opportunity afforded by the Conference should be pressed into the service of the country. The inclusion of non-officials means an automatic widening of the terms of reference of the Conference. The question of finding new markets for Indian goods could be taken up and a live tradition of inter-state economic co-operation among the member-States of the Conference established. I am hoping my suggestion will find favour with H. E. the Viceroy and the Members of His Government.

I wish to take this opportunity to say a word or two about a Congress of Indian Industrialists I have suggested in the article. I am engaged in preparing a note on a plan for an industrial campaign. The basis of the plan is readiness on the part of the Government to afford whole-hearted assistance. I will have the note sent to you when it is ready. I shall be deeply indebted to you if you will kindly interest His Excellency in that. If it appeals to him I shall be happy to take up the work of organising the Congress.

I shall appreciate a reply after you have known His Excellency's mind with regard to my proposals.

V. SUNDARAMURTHY.

4. (Reply to my letter to the Private Secretary to H. E. the Viceroy)

SECRETARTY TO THE GOVERNOR-GENERAL.

D. O. No. 5043—G. G.

Viceroyal Lodge, Simla.

August 26. 1940.

Dear Sir,

I am desired to acknowledge the receipt of your letter dated the 21st August 1940 together with its enclosure, which has been passed on for consideration to the department concerned.

Yours faithfully,

Deputy Private Secretary

to the Viceroy.

V. Sundaramurthy, Esq.,  
"Manickavelu Mansion,"  
Palace Road, Bangalore.

5. (Reply from the Department of Supply to my letter addressed to the Private Secretary to H. E. the Viceroy).

No. SA 0730.

GOVERNMENT OF INDIA.  
DEPARTMENT OF SUPPLY.

Simla, the 29th August, 1940.

To

V. SUNDARAMURTHY, Esquire,  
Manickavelu Mansion,  
Palace Road,  
Bangalore.

Sir,

I am directed to refer to your letter dated the 21st August 1940, to the Private Secretary to His Excellency the Viceroy, which has been sent to this Department for disposal. The views of the Central Government on the scope of the Eastern Group Conference have already been communicated to you in this Department's letter No. SA 0730, dated the 22nd August, 1940, and I am to say that it would be impossible to widen the scope of a discussion on War Supply in the manner which you suggest.

I am, Sir,

Your Obedient servant.

Deputy Secretary to the  
Government of India.

6. (Letter addressed to the Hon'ble Sir Muhammad Zafrullah Khan, Member, H. E. the Viceroy's Executive Council.)

12th August 1940.

I am herewith enclosing for your kind perusal a typed copy of a press article of mine with regard to the Empire Economic Conference that will meet in New Delhi in October.

I feel, and I have reason to believe it is strongly felt in industrial and business circles in these parts, that the conference must have non-official Indian representation, with a considerably widened scope. While

whole-heartedly commending the move of the Government of India, I suggest that the opportunity afforded by the Conference should be availed of and an effective drive launched for capturing the markets of the Empire countries. There is the Ottawa Pact to help us and if we made an energetic attempt through all the means in our power, India will secure new and dependable Empire markets.

I am sure you must be thinking in these terms. I shall appreciate very highly if you move the Government to make the gesture I have suggested towards non-official interests.

I shall be only too happy to pursue the matter of calling a Congress of Indian Industrialists, if I have your kind assurance that the Government of India will take an active part in it.

V. SUNDARAMURTHY.

The Hon'ble Sir Muhammad Zafrulla Khan, Kt., K.C.S.I.,  
Member, Viceroy's Executive Council,  
SIMLA.

No. SA 0730.

GOVERNMENT OF INDIA.  
DEPARTMENT OF SUPPLY.

Simla, the 22nd August 1940.

To

V. SUNDARAMURTHY, Esq.,  
"Manickavelu Mansion,"  
Palace Road,  
BANGALORE.

Sir,

I am directed to refer to your letter dated the 12th August 1940 to the Hon'ble Sir Muhammad Zafrulla Khan and to say that the proposed conference will be concerned only with war supply and not with general trade problems. It has therefore been decided that the delegations shall consist of persons possessing the requisite knowledge of the needs of the various Governments for war purposes, and the inclusion of other persons, however well qualified from a general point of view, would be inappropriate. Any suggestions that you may have about developing general trading relations in the Eastern part of the Empire should be made to the Commerce Department of the Government of India.

I am, Sir,  
Your obedient servant,  
.....,  
Deputy Secretary to the  
Government of India.

8. (Letter addressed to the Hon'ble  
Sir A. Ramaswami Mudaliar, Commerce Member)

12th August '40.

I am herewith enclosing for your kind perusal a typed copy of a press article of mine with regard to the Empire Economic Conference that will meet in New Delhi in October.

I feel, and I have reasons to believe it is strongly felt in industrial and business circles in these parts. that the Conference must have non-official Indian representation, with a considerably widened scope. While whole-heartedly commending the move of the Government of India, I suggest that the opportunity afforded by the Conference should be availed of and an effective drive launched for capturing the markets of the Empire countries. There is the Ottawa Pact to help us and if we made an energetic attempt through all the means in our power, India will secure new and dependable Empire markets.

I am sure you must be thinking in these terms. I shall appreciate very highly if you move the Government to make the gesture I have suggested towards non-official interests.

I shall be only too happy to pursue the matter of calling a Congress of Indian Industrialists, if I have your kind assurance that the Government of India will take an active part in it.

V. SUNDARAMURTHY,

The Hon'ble Sir Ramaswami Mudaliar, Kt., C. I. E.,  
Commerce Member to the Government of India,  
SIMLA.

(IT IS WORTH-WHILE MENTIONING HERE  
THAT I HAVE NOT RECEIVED EVEN AS MUCH  
AS A DEPARTMENTAL COURTESY REPLY)

9. (Second letter addressed to the Hon'ble Sir Muhammad  
Zafrulla Khan)

30th August '40.

With reference to my letter to you dated the 12th inst., I have received a reply from one of the Deputy Secretaries of your Department, stating that the Empire Economic Conference to be held in Delhi in October is "concerned only with war supply". I am also told that the inclusion of non-Governmental people would be "inappropriate" and that any suggestions for improving trade relations among the Empire countries east of Suez must be sent to the Commerce Department. All this is quite obvious.

Even from the point of view of your Department, interested as it is in securing supplies for the prosecution of the war, I submit that non-official co-operation would be invaluable. That is the only way in which the

organisation that has been set up for securing supplies can acquire the necessary authenticity. As for the conference, the leaders of industry and commerce will be able to give a better and a more comprehensive idea of potential and existing supplies. That cannot be disputed. I suggest that you should reconsider the question and impress upon the Government the need for an expansion of the scope of the conference.

As for the question of improving inter-statal commerce among the countries that meet in conference. I am in touch with the Commerce Department. Even here, I suggest that it is not a matter to which your Department could be indifferent, as any inter-change of supplies depends upon organised export.

May I hope that you will give my suggestion your earnest thought? I shall be deeply grateful to you if you will kindly place my proposition before His Excellency the Viceroy.

V. Sundaramurthy.

The Hon'ble Sir M. Zafrulla Khan,  
Department of Supply,  
Simla.

(This letter did not elicit any reply.)

10. (Letter addressed to the President, the Federation of Indian Chambers of Commerce and Industry.)

31st August '40.

The President,  
The Federation of Indian  
Chambers of Commerce and Industry,  
New Delhi.

Dear Sir,

I have thought fit to enlist your co-operation, in a suggestion I have made to the Government of India with regard to the expansion of the scope of the Empire Economic Conference that is being held in Delhi in October this year. You will find, annexed to this letter, a copy of my article which had a good reception in the South Indian Press as well as a reply I have received from the Supply Department of the Government of India.

I am aware of the strong attitude of the Federation with regard to the non-inclusion of the commercial element in most of the war undertakings of the Government of India. I am sure the Federation has given considered and deep thought to the possibilities of the Empire Economic Conference. It must be pressed into service to find new markets for Indian goods. From the trend of recent trade developments, I am sure there is a great opportunity for us. We cannot let this chance slip through our fingers.

As such, I suggest that the Federation must take up this question. Though the proposed conference is out-spokenly a war-inspired one, if sufficient pressure were to be brought to bear upon the Government, there is a possibility of the Government realising the need for expanding the terms of reference of the Conference. I trust that you will take it up with the customary determination that the Federation brings to bear on questions of importance.

What is more, I had, once before, made an appeal to the industrialists to get together and import a measure of planning into industrialisation that the war will bring about. You will agree with me that this is a vital matter. I shall be grateful to you if you will kindly let me know your Federation's attitude with regard to this question.

Thanking you,

Yours faithfully,

V. SUNDARAMURTHY.

(NO REPLY FROM THE FEDERATION OF INDIAN CHAMBERS OF COMMERCE AND INDUSTRY.)

11. (Air-Mail letter to the Rt. Hon'ble L. S. Amery, Secretary of State for India.)

3rd September 1940.

The Right Hon'ble L. S. Amery,  
Secretary of State for India,  
India House,  
LONDON.

Sir,

I have thought fit to address you with regard to what Indian commercial opinion holds is a vital matter. It is my earnest hope that you will appreciate the spirit in which I am writing.

The Government of India—I dare say, with your approval—have called an Economic Conference of the Empire countries east of Suez to meet in Delhi in October this year. I am enclosing a copy of an article of mine that appeared in the local press and the editorial comment of the *The Mail*, Madras, thereon for your information. That will furnish sufficient indication of the reaction of the Indian press and the commercial community to the proposed Empire Economic Conference.

I made representations to His Excellency the Viceroy, the War Supply Department and the Commerce Department of the Government of India. I have not heard from the Commerce Department at all and the War Supply Department tells me that "it would be impossible to widen the scope of a discussion on War Supply in the manner which you suggest". It is unfortunate that, in this country, the Government does next to nothing to

get the organised and willing support of the non-official section. A little elementary thinking will convince anybody that in a matter like organising, conserving and producing war supplies the co-operation of the commercial interests is absolutely necessary.

Further, the moment is auspicious for a comprehensive review of India's foreign trade and a discussion on the possibilities of finding new Empire markets for Indian commodities. Does not the presence of the representatives of the Empire Countries east of Suez afford a great opportunity to make an effort in that direction?

May I suggest that you should get the Government of India to enlarge the scope of the Conference? Even if it were only a simple affair of preparing statistics of available supplies, the co-operation of Indian non-officials would be, you will agree with me, invaluable. When people are willing to assist and realise that it is not only Britain's war but India's, why not make an effort to secure their co-operation in making that effort real?

In this connection I must be permitted to say that India's war effort is not all what it should or could be. No attempt is being made to associate the industrialists and other non-official commercial men in tapping India's resources in an organised way. The starting of new industries is being done in a haphazard manner.

India is willing to help and anxious to help. She realises her danger and wants to rush to Britain's aid. But a chance must be given her to do it all spontaneously; her effort must be based on a voluntary basis. India must be made to feel that it is her war, too.

What I am trying to urge I can illustrate by mentioning the way Britain has tried to organise war supplies by starting new industries in Canada and Australia, which action, in effect, will not only strengthen the defences of those two Empire countries but secure valuable help to Britain in her greatest hour of trial. The same could have been done in this country; and India has industrial resources greater than that of Canada and Australia put together. The war has been imminent for a couple of years now and much ground could have been covered. India, it must be conceded, is practically defenceless to-day. So, it is the immediate concern of her people and her Government to strengthen the existing defences, create new ones and organise assistance to Britain. India is the key point in the British Empire and cannot be neglected if Britain values her Empire. While there is hope, something must be done and the war effort organised on a big scale. It is not only a question of the immediate danger to India and Britain but also one of so planning things that Britain and India will stand together after the war, sharing in freedom and co-operation.

I am hoping that my representation will receive your earnest consideration.

Yours truly,

V. SUNDARAMURTHY,

(No reply has been received yet).

12. (Air-mail letter to Lord Beaverbrook,  
Minister for Aircraft Production).

3rd September 1940.

Sir,

We, in Mysore, have noted with deep pleasure your cable to our Dewan, Sir Mirza M. Ismail, in connection with the remittance we sent from Mysore to assist you in the great task you have undertaken in increasing, reinforcing and perfecting the air arm of Britain.

But I feel, and lots of people feel, that the Government of India is not doing all that it can and is not going about its work the way it should. India is most anxious and eager to help as you must be well aware. Indians realise the utility and desirability of continued Indo-British connection — connection based on friendship, enriching co-operation and inter-dependence inspired by freedom. They realise it is Britain's war as well as India's. But the atmosphere necessary for making India's war effort spontaneous and organised is lacking. It is a great pity. India's officialdom, specially Delhi, never seems to want to associate the nationals in any effort or to take them into confidence.

I can, with effect, press my point home by advertizing to the organisation of war supplies in this country. The department that has been created is a purely official one, staffed by civilians who cannot have any dependable knowledge of our resources. An Empire Economic Conference of countries, east of Suez, has been called to meet in October in Delhi and no representatives of the commercial community have been invited to co-operate.

What I am trying to impress upon you is this: Indians are conscious of the danger they are in and are most eager to rush to the succour of your country with all the resources at their command. But the only way in which their eagerness could be capitalised is for the Government to give up its intractability and assist the industrialists in starting new industries and create the conditions necessary for fruitful co-operation. India is in the war for good or ill but she wants a full share of the responsibility in fighting it. She has enormous resources and she can assist Britain as no other Empire country can; but her war effort must be voluntary.

It is clear that frantic efforts are being made to organise some sort of defence for India. My point is that much time has been lost as nothing material has been done in spite of the war being imminent for the last two or three years. A lot of ground could have been covered within the last two years, supplies organised, new industries started (like aircraft and so on). Even now it is not too late and Indians are terribly concerned about their integrity and future and intent on giving their all to assist Britain. The efforts that are now being made are half-hearted; India, for instance, is not being made to organise herself in the same way as Canada and Australia among the major Empire countries to the extent her resources merit. It is not only a question of immediate assistance to Britain and preparing the defences of this country against a possible enemy attack, but planning for the future of India and an assured Indo-British future. This involves sustained work and a readiness on the part of Britain to go further

than she is accustomed to do in India. The work has to be with the people of India and not above their heads, their desires and aspirations being flouted every time. India is Britain's greatest and staunchest ally and such a relation must be reciprocal to be effective.

I am writing to you because you are one of the most energetic and clear-thinking men in your country and because I have the hope that you will be able to get your Government to think in a different and useful way. You do not have any other barometer of India's feeling towards Britain than the daily assistance that is pouring into your Department. What has to be done now is to create a helpful atmosphere in the country.

May I hope that you will do what lies in your power? I shall be profoundly grateful to you if you will kindly give my representation your thought.

V. Sundaramurthy.

(No reply has been received yet).

13. (Second Press article, which appeared in "The MAIL" Madras, on 17th September 1940.

Empire Economic Conference.

Indianise India's War Effort.

(By Mr. V. Sundaramurthy).

When the Government of India broadcast the news that they had called an Economic Conference of Empire countries, East of Suez, to meet in Delhi in Oct. 25. it was generally welcomed in this country, both by the press and the commercial community, with warm enthusiasm. People, with vision, saw potentialities, in such a meeting. Since Aug. 18, I have been at pains to impress upon the Government to enlarge the scope of the conference. I have been urging a double-fold enlargement; inclusion of non-official Indian industrialists and businessmen in the Indian delegation and discussion on vital matters with regard to trade among the constituent Empire members of the conference.

I wrote to His Excellency the Viceroy, the Supply and the Commerce Departments. The Commerce Department is strangely silent and the Supply people tell me that the "inclusion of other persons, however well qualified from a general point of view, would be inappropriate," as the conference is expected to deal with one sole topic - supply. There is a further argument against my suggestion; the other delegations are all Governmental and why make an exception? What logic? But Malaya is sending a non-official, one Mr. Fell, the Chairman of Messrs. Harper, Gilfillan and Co., Ltd.

If the conference is designed to afford an opportunity to exchange notes and compliments with regard to war supply, why call it an Economic Conference? Why not an Empire Supply Conference? Are the officials of the Supply Department going to produce the supplies? The question of war supply is one that touches the Indian business community intimately.

It is not too late even now for the Government to choose the path of practical wisdom. It is the commercial community better than others

which realises the danger that India is facing. It is the business community which has to bear the brunt of it all. It is India's war not the Government of India's war.

If the Government will not do what I suggest, let them at least call a subsidiary conference at which the general trade problems affecting the Empire countries could be tackled to the advantage of all.

14. (Editorial comment of THE MAIL, Madras, dated 17th September 1940, on my press article.)

### THE EMPIRE ECONOMIC CONFERENCE.

So far there has been no response to the suggestion that non-official India should be associated with official India in the discussions to take place at the Economic Conference of Empire countries at New Delhi in October. The attitude of the Government of India is summed in the words "the proposed conference will be concerned only with war supply and not with general trade problems. It has therefore been decided that the delegations shall consist of persons possessing the requisite knowledge of the needs of the various Governments for war purposes, and the inclusion of other persons, however well qualified from a general point of view, would be inappropriate."

We confess we cannot see why it should be inappropriate to include expert non-officials. The war supplies of the Governments concerned cannot be met by official workshops or departments. The co-operation of non-official suppliers must be sought and obtained, and it would surely be of advantage to the conference to have at its disposal non-officials qualified to inform its members concerning potential output and possibilities of expansion. It may be replied that Government officials have already accumulated this information, to which we answer that the general experience is that information thus accumulated has proved largely indigestible to the official mind.

'There never was more urgent need to secure the assistance of all willing non-official India in the efforts necessary to enable India to make her maximum contribution to the war against totalitarian aggression. What we ask for India has already been done by Malaya, whose Government has included a non-official in its delegation to the Conference. What Malaya has done, India can do. It would be well, too, if the limited war supplies Conference could be followed by a general Empire Supply Conference as suggested by Mr. V. Sundaramurthy, and desired by certain other Empire countries. The representations made to the Commerce Member have shown how anxious Indian producers are that no opportunity should be lost to discover new markets to replace those lost through the war, and the presence in India of representatives of Empire countries offers a unique opportunity for co-operative effort for the mutual benefit of Empire producers.

15. (Copy of circular received by me from the  
Association of Indian Industries, Bombay,  
with regard to the Empire Economic conference.)

**THE ASSOCIATION OF INDIAN INDUSTRIES.**

Albert Building,  
Hornby Road, Fort,  
Bombay,

14th September. 1940.

To

All members of the Association :

Subject :—Forthcoming Eastern Group  
Conference.

Dear Sirs,

As you are probably aware, the Eastern Group Conference convened by the Government of India, is to meet at New Delhi on the 25th October 1940 and the following dates. All the Empire countries in the Eastern hemisphere will send their delegates to this important Conference. The deliberations of the Conference itself will be strictly limited to War Supply problems, but it is hoped that, with the consent of individual delegations to the Conference, discussions will be held outside the Conference to ascertain how far the countries represented at the Conference can meet each other's civilian needs, particularly in the sphere of industrial products.

To equip themselves with the necessary data the Government of India desire to be furnished with all the available information regarding the following subjects :

1. Full information regarding the productive capacity of your industry which produces commodities which were formerly obtained from the enemy countries including countries in enemy occupation, and which have a surplus capacity.
2. Full statement of the needs of your industry in respect of the imported commodities, the supply of which is now cut off and is not replaced by internal production.

Members who are interested in the efforts to secure new outlets in the foreign markets for their manufactured products. and also those members who are interested in the imports of essential foreign commodities are requested to please furnish all the available data in this connection to this Association not later than the 23rd September 1940. We may point out that this is a very good and rare opportunity for our industries for their development and we are therefore confident that all the members of our Association will make it a point to send their useful suggestions in this connection in their own advantage.

Yours faithfully,  
G. N. Banerjee,  
Murarji J. Vaidya,  
J.T. HON. SECRETARIES.

16. (Reply sent by me to the circular of the Association of Indian Industries, Bombay.)

18th September '40.

The Joint Hon. Secretaries,

Association of Indian Industries,

Albert Buildings, Hornby Road,

Bombay.

Dear Sirs,

I am in receipt of your circular to the members of the Association with regard to the so-called Empire Economic Conference which is meeting in Delhi in Oct. I feel very happy to note that you envisage the possibility of discussions with individual delegations to discover as to "how far the countries represented at the Conference can meet each other's civilian needs, particularly in the sphere of industrial products".

I welcome your effort for what it is worth as I have been feeling intensely about India's economic position at the present juncture.

I am sure, it will interest you to note that since the day the announcement with regard to the Empire Economic Conference was made I have been urging the Government of India to enlarge the scope of the Conference by the inclusion of the non-official commercial element. I have contemplated a two-fold expansion of the scope of the Conference. (1) inclusion of non-official Indians; (2) broadening of the range of discussion in the shape of the tackling of the question of the improvement of inter-statal trade among the Empire countries which are constituent members of the Conference. I have written articles in the press, written to H. E. the Viceroy and the Supply and the Commerce Departments of the Government of India. Having seen the intractability of the Government of India, I thought fit to address the Secretary of State for India and the Minister for Aircraft Production. I am sending for your benefit, all the material I have mentioned. Especially, I want to draw your attention to the editorial comment of *The Mail*, Madras on my press article. There we have a paper, realising the reasonableness of my suggestion that any conference for the conservation and organisation of war supplies would be futile if the people who matter, the industrialists and businessmen, are not invited to participate. The paper, you will observe goes a bit further in urging the inclusion of representatives of labour.

I think I should mention here that I wrote to the President of the Federation of the Indian Chambers of Commerce and Industry to take up the question and get the Government of India to agree to the inclusion of non-officials in the Conference. I have not heard from him at all, nor is there any evidence of the Federation having done anything about it. It is a commentary on how the commercial community in the country fails to agitate in times of vital moment, due, mostly, to lack of organisation and co-operation.

My letter to H. E. the Viceroy was sent on to the Supply Department and the Commerce Member has thought fit to sleep over it! I am told by the Supply Department that it would be "inappropriate" to bring

non-officials, however, expert they may be, into the Conference as the discussion is going to be exclusively restricted to a question of exchanging notes with regard to war supply. I have been told that matters of general trade problems are the pigeon of the Commerce Department. I cannot understand how the question of supply can be tackled if the producers of supplies are not in the Conference. It will be just another conference. That is all. While we are all anxious to do our best to assist the Government in its war effort, we cannot afford to lose sight of the urgent need for discovering new markets for our products whose exports have stopped or dwindled considerably because of the war. The latter is certainly vital.

As such, you will see the need for a scientific and systematic discussion of our trade problems with the delegates to the Conference. I would suggest your urging the Government of India to afford representation to Indian industry and Commerce. It is not too late for the Government to agree to this demand.

If that is not possible, as a Member of the Association of Industries, I suggest that our institution should take the initiative in arranging for a regular conference with the delegates of the Empire Countries, at which we could have a free and full discussion. I am sure that such a meeting would be eminently fruitful. If the Government will not do it, nothing prevents us from doing it. We are the people who are vitally concerned.

Kindly place this proposal of mine before the other members as expeditiously as possible and impress upon them the need and the utility of my suggestion.

It would interest you to know some details of my own case. I produce large quantities of Chrome Ore. The war has affected my export and the local railway freights are murderous. We do not have an organisation of the mine-owners in the State and the Government of India will not assist individual industrialists. We have to stand on our own feet. You will see how useful the contacts we are likely to establish at the Conference will be for us individually and, in the large, for the country.

I shall be happy to assist you in the work of calling such a conference, if we cannot get the Government to widen the scope of the Eastern Group Conference. I am prepared to go to Delhi or to Bombay and do everything in my power to make the conference a successful one. I am hoping the Association will give it a serious and earnest thought, as a suggestion emanating from a member.

While I am about this, I would like to make a passing mention of the efforts I have made since the beginning of the war for a Congress of Indian Industrialists. I wrote to the President of the Association of Industries, Mr. Madhanlal Bhatt, on the 29th January 1940, when I read a press report of his address at the Second Annual Dinner of the Association, wherein he talked of a conference of manufacturers. I sent him a booklet I had prepared in October 1939, entitled "Congress of Indian Industrialists." I do not know what his reactions were because I never received a reply from him. Furthermore, I mailed copies of the brochure to all Chambers of Commerce and prominent industrialists in the country. The reception was enthusiastic in some cases and rather lukewarm in others. As it is, we have lost ground and time, though it certainly is not too late to get together and plan war industrialisation. I am preparing another note on

industries. I will have it sent over to you as soon as it is ready. I am enclosing the old booklet.

It is my belief that if we had got together we could have done a lot by this time. What is more, we would have been able to approach the Government as one solid block. It is the bounden task of us, industrialists, to prepare the economic base for the India of the future. When will we get a better opportunity if we miss the one projected by the war?

I strongly urge that our Association should take this up for consideration forthwith. I am willing to shoulder the burden of organising the Congress.

I am hoping that you will give your most earnest thought to the suggestion I have made. Kindly send me an immediate reply with regard to the Conference with the Empire delegates so that we could start working on it.

I have been a bit elaborate. But I hope you realise the importance and urgency of the problems that face us.

I am deeply grateful to you for the circular you have sent.

Yours faithfully,

V. SUNDARAMURTHY.

17. (Letter addressed to Sir Alexander Roger, Leader of the British Supply Commission, which is at present in India).

8th October, '40.

Kindly let me mention that your Calcutta pronouncement has struck a new note, when you said, "You hold the key of the Empire in your hands and it is safe in your hands. We want you to use the key." This will go a long way in inspiring confidence in the heart of the Indian commercial community. There is a justifiable feeling that the Government of India are half-hearted in their attempt to associate business leaders in their war effort. In any case, it is true that India is not having the same deal as Australia, Canada and some other Empire countries in the matter of supply orders. What is more, the Government of India have done next to nothing in the shape of starting new industries to buttress their war effort. India has an economic opportunity; but there is no attempt to take advantage of it in a systematic way. If the Government do not create a helpful atmosphere, the economic prosperity of the country will be affected in a detrimental manner.

It would be sufficient commentary on how things are happening to mention my individual efforts to get the Government to expand the scope of the Empire Economic Conference scheduled to meet this month. I have urged representation for Indian industrialists and businessmen; I have suggested a discussion on the possibilities of discovering new Empire markets for Indian goods. You will agree with me when I say that for proper organisation of supplies it is necessary to augment the prosperity of the country in the shape of finding new markets for goods which Europe

was taking before the war. And India's war effort must be based on a voluntary basis.

I am enclosing some correspondence I have conducted, my press articles and so on, in this connection, for your kind perusal. I have the hope that you will be able to get the Government of India to tread a new path. The only reaction of the Government to my plea is in the shape of a letter from the Supply Department which says that 'the inclusion of other persons, however, well qualified from a general point of view, would be inappropriate.' This will be enough to make you see the way things are moving. There is no response to my suggestion that at least a separate conference should be held with the Empire Economic Conference delegates to discuss inter-statal Empire trade. I have the hope that you realise the need for such a thing. I am prepared to undertake the work of organising it if you will only impress upon the Government the utility of such a move.

I am sure that individual representations like mine fall within the scope of your work in this country. I shall be profoundly grateful to you if you will kindly give a thought to my suggestions. Further, it will be a great service done to Indian business and India's war effort, if you will kindly impress upon the Railway Board the need for reducing freight rates and the Government of India to afford better shipping facilities for exporters.

I shall be happy to meet you whenever and wherever you want me to talk things over. I shall be grateful to you for an opportunity of meeting you.

V. Sundaramurthy.

Sir Alexander Roger,

C/o. The Supply Department,

Government of India,

Simla.



